

HOUSE BILL No. 1040

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.

Synopsis: 1977 police and firefighter fund survivor benefit. Increases the monthly benefit of the surviving spouse of a member of the 1977 police officers' and firefighters' pension and disability fund from 60% to 75% of the member's monthly benefit if the member died: (1) other than in the line of duty after August 31, 1982; or (2) in the line of duty before September 1, 1982.

Effective: July 1, 2004.

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January 13, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1040

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-8-8-13.8, AS ADDED BY P.L.118-2000,
2 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2004]: Sec. 13.8. (a) This section applies to an active or
4 retired member who dies other than in the line of duty (as defined in
5 section 14.1 of this chapter) after August 31, 1982.

6 (b) If a fund member dies while receiving retirement or disability
7 benefits, the following apply:

8 (1) Except as otherwise provided in this subsection, each of the
9 member's surviving children is entitled to a monthly benefit equal
10 to twenty percent (20%) of the fund member's monthly benefit:

11 (A) until the child becomes eighteen (18) years of age; or

12 (B) until the child becomes twenty-three (23) years of age if
13 the child is enrolled in and regularly attending a secondary
14 school or is a full-time student at an accredited college or
15 university;

16 whichever period is longer. However, if the board finds upon the
17 submission of satisfactory proof that a child who is at least

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1 eighteen (18) years of age is mentally or physically incapacitated,
 2 is not a ward of the state, and is not receiving a benefit under
 3 clause (B), the child is entitled to receive an amount each month
 4 that is equal to the greater of thirty percent (30%) of the monthly
 5 pay of a first class patrolman or first class firefighter or fifty-five
 6 percent (55%) of the monthly benefit the deceased member was
 7 receiving or was entitled to receive on the date of the member's
 8 death as long as the mental or physical incapacity of the child
 9 continues. Benefits paid for a child shall be paid to the surviving
 10 parent as long as the child resides with and is supported by the
 11 surviving parent. If the surviving parent dies, the benefits shall be
 12 paid to the legal guardian of the child.

13 (2) The member's surviving spouse is entitled to a monthly benefit
 14 equal to ~~sixty~~ **seventy-five** percent (~~60%~~) **(75%)** of the fund
 15 member's monthly benefit during the spouse's lifetime. If the
 16 spouse remarried before September 1, 1983, and benefits ceased
 17 on the date of remarriage, the benefits for the surviving spouse
 18 shall be reinstated on July 1, 1997, and continue during the life of
 19 the surviving spouse.

20 If a fund member dies while receiving retirement or disability benefits,
 21 there is no surviving eligible child or spouse, and there is proof
 22 satisfactory to the local board, subject to review in the manner
 23 specified in section 13.1(b) of this chapter, that the parent was wholly
 24 dependent on the fund member, the member's surviving parent is
 25 entitled, or both surviving parents if qualified are entitled jointly, to
 26 receive fifty percent (50%) of the fund member's monthly benefit
 27 during the parent's or parents' lifetime.

28 (c) Except as otherwise provided in this subsection, if a fund
 29 member dies while on active duty or while retired and not receiving
 30 benefits, the member's children and the member's spouse, or the
 31 member's parent or parents are entitled to receive a monthly benefit
 32 determined under subsection (b). If the fund member did not have at
 33 least twenty (20) years of service or was not at least fifty-two (52) years
 34 of age, the benefit is computed as if the member:

35 (1) did have twenty (20) years of service; and

36 (2) was fifty-two (52) years of age.

37 SECTION 2. IC 36-8-8-13.9, AS AMENDED BY P.L.86-2003,
 38 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2004]: Sec. 13.9. (a) This section applies to an active member
 40 who died in the line of duty (as defined in section 14.1 of this chapter)
 41 before September 1, 1982.

42 (b) Except as otherwise provided in this subsection, if a fund

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member dies in the line of duty, the following apply:

(1) Each of the member's surviving children is entitled to a monthly benefit equal to twenty percent (20%) of the fund member's monthly benefit:

(A) until the child becomes eighteen (18) years of age; or

(B) until the child becomes twenty-three (23) years of age if the child is enrolled in and regularly attending a secondary school or is a full-time student at an accredited college or university;

whichever period is longer. However, if the board finds upon the submission of satisfactory proof that a child who is at least eighteen (18) years of age is mentally or physically incapacitated, is not a ward of the state, and is not receiving a benefit under clause (B), the child is entitled to receive an amount each month that is equal to the greater of thirty percent (30%) of the monthly pay of a first class patrolman or first class firefighter or fifty-five percent (55%) of the monthly benefit the deceased member was receiving or was entitled to receive on the date of the member's death as long as the mental or physical incapacity of the child continues. Benefits paid for a child shall be paid to the surviving parent as long as the child resides with and is supported by the surviving parent. If the surviving parent dies, the benefits shall be paid to the legal guardian of the child.

(2) The member's surviving spouse is entitled to a monthly benefit equal to ~~sixty~~ **seventy-five** percent (~~60%~~) (**75%**) of the fund member's monthly benefit during the spouse's lifetime. If the spouse remarried before September 1, 1983, and benefits ceased on the date of remarriage, the benefits for the surviving spouse shall be reinstated on July 1, 1997, and continue during the life of the surviving spouse.

If there is no surviving eligible child or spouse, and there is proof satisfactory to the local board, subject to review in the manner specified in section 13.1(b) of this chapter, that the parent was wholly dependent on the fund member, the member's surviving parent is entitled, or both surviving parents if qualified are entitled jointly, to receive fifty percent (50%) of the fund member's monthly benefit during the parent's or parents' lifetime.

(c) If the fund member did not have at least twenty (20) years of service or was not at least fifty-two (52) years of age, the benefit under subsection (b) is computed as if the member:

(1) did have twenty (20) years of service; and

(2) was fifty-two (52) years of age.

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(d) The unit of local government that employed the deceased member shall after December 31, 2003, offer to provide and pay for health insurance coverage for the member's surviving spouse and for each natural child, stepchild, or adopted child of the member:

- (1) until the child becomes eighteen (18) years of age;
- (2) until the child becomes twenty-three (23) years of age if the child is enrolled in and regularly attending a secondary school or is a full-time student at an accredited college or university; or
- (3) during the entire period of the child's physical or mental disability;

whichever period is longest. If health insurance coverage is offered by the unit to active members, the health insurance provided to a surviving spouse and child under this subsection must be equal in coverage to that offered to active members. The offer to provide and pay for health insurance coverage shall remain open for as long as there is a surviving spouse or as long as a natural child, stepchild, or adopted child of the member is eligible for coverage under subdivision (1), (2), or (3).

SECTION 3. [EFFECTIVE JULY 1, 2004] IC 36-8-8-13.8 and IC 36-8-8-13.9, both as amended by this act, apply to benefits paid after June 30, 2004, but do not require the board of trustees of the public employees' retirement fund to recompute any benefits that were paid under IC 36-8-8-13.8 or IC 36-8-8-13.9 before July 1, 2004.

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